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Financial Administration
PLANNING, PROGRAMMING, BUDGETING
AND EXECUTING OPERATIONS

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CHAPTER 1

INTRODUCTION

1-1. **Purpose.** This regulation establishes the policies, responsibilities and basic procedures for the management and oversight of U.S. Army Corps of Engineers (USACE) resources for Executive Direction and Management (ED&M); General Expense (GE); Operation and Maintenance Army (OMA); Research, Development, Test, and Evaluation (RDT&E) Army; General Investigations (GI); Construction General (CG); Operations and Maintenance (O&M) General; Flood Control and Coastal Emergencies (FCCE); Regulatory Program, Mississippi River and Tributaries (MR&T); Formerly Utilized Sites Remedial Action Program (FUSRAP); capital investment through Other Procurement, Army (OPA); and Revolving Fund, Plant Replacement and Improvement Program (RF, PRIP). Resources include all funds and all manpower made available to the USACE. This regulation also provides the functional charters of various Headquarters, USACE (HQUSACE) organizations and committees and the Humphreys Engineer Center Support Activity (HECSA) that have responsibilities in this corporate resource management process. This regulation reflects the adjustments necessary to operate within the USACE 2012 organization structure.

1-2. **Applicability.**   This regulation applies to all organizational elements of HQUSACE and Major Subordinate Commands (MSC), and where specifically indicated, HECSA.

1-3. **Distribution.** Approved for public release; distribution is unlimited.

1-4. **References.**

    a. AR 1-1, Planning, Programming, Budgeting and Execution System.

    b. AR 71-11, Total Army Analysis.

    b. AR 71-32, Force Development and Documentation - Consolidated Policies.

    c. AR 570-4, Manpower and Equipment, Manpower Management.

    d. ER 11-2-290, Army Programs Civil Works Activities, General Expense.

    e. ER 25-1-106, Information Technology Capital Planning and Investment Control – Draft.

    f. ER 37-1-24, Operating Budgets.

    g. ER 37-1-29, Financial Administration, Financial Management of Capital Investments.

h. EC 11-2-187, Corps of Engineers Civil Works Direct Program Development Guidance .

i. EP 37-1- 3, Budget Officer's Handbook.

j. EP 37-1-5, Budget and Manpower Resource Management Cycle.

k. ER 700-1-1, Supply Policy and Procedures.

l. USACE 2012, Aligning the U.S. Army Corps of Engineers for Success in the 21st Century, October 2003.

m. Memo, CERM-M, Formation of the Manpower Project Delivery Team (PDT), 24 Jun 03.

1-5. **Responsibilities.** The principal staff responsibilities for the prioritization and management of all USACE resources include all planning, programming and budgeting events and documents related to both military and civil works missions that effect or affect the allocation of funds and manpower throughout USACE, including HQUSACE. Responsibilities of the resource management committee will include MACOM-wide issues and HQ/HECSA Operating Budget issues, to provide a comprehensive corporate process to address all USACE resource issues in a structured and timely manner.

a. The list of responsibilities includes, but is not limited to:

(1) the development, review and analysis of USACE Consolidated Command Guidance (CCG);

(2) Civil Works budgetary and manpower instructions;

(3) Command Operating Budget (COB)/Command Budget Estimates (CBE) or Resource Management Updates (RMU);

(4) Program Objective Memorandum (POM);

(5) Tables of Distribution and Allowances (TDA);

(6) Total Army Analysis (TAA);

(7) Information Technology (IT) Capital Planning and Investment Control (CPIC) process;

(8) Plant Replacement and Improvement Program (PRIP);

(9) the HQUSACE Operating Budget, to include HECSA's Headquarters-related Operating Budget;

(10) Program Account Budgets;

(11) the Civil Works Utilization Plan (CWUP) and the Civilian Employment Plan (CEP);

(12) and budget and manpower execution analysis.

b. The Senior Review Group (SRG), consisting of the Director of Civil Works (DCW), the Director of Military Programs (DMP), and the Director of the Strategy and Integration Directorate (D/SID) will establish command guidance and priorities (budget, funding and manpower) for USACE which complements the direction provided by the Chief of Engineers (Commanding General's Intent). See Appendix A for detailed composition of SRG.

c. The Headquarters Prioritization Group (HPG), consisting of the Director of Civil Works (DCW) and the Director of Military Programs (DMP), will define requirements for their mission areas. They will provide corporate direction to prioritize requirements and allocate USACE-wide resources consistent with the direction provided by the SRG. The HPG will be supported by the Director of the Strategy and Integration Directorate (D/SID), Director of Resource Management (DRM), and Chief of Staff (CoS). The DRM will provide advice and assistance to HPG on affordability, legality and future impacts. The D/SID will ensure direction is consistent with the Chief of Engineers intent and strategic vision as well as program integration. The CoS will ensure viability of support offices. See Appendix B for detailed composition of HPG. The HPG as required:

(1) Develops and defines mission requirements and priorities for respective mission areas.

(2) Reviews all USACE-wide requirements, dollars and manpower, submitted by USACE activities and advice provided by the DRM, the CoS and the D/SID throughout the PPBES process at key decision points.

(3) Establishes funding lines for allocation.

(4) Evaluates and recommends un-resourced requirements.

(5) Prioritizes and develops the integrated list of resource requirements for recommendation to the Senior Program Advisory Committee (SPBAC).

d. The Director of the Strategy and Integration Directorate (D/SID) is the Commanding General's strategic planner and provides command-wide integration and sychronization of resource efforts. The D/SID collaborates with the Military Programs and Civil Works Program

Integration Divisions and the Directorate of Research and Development to synchronize planning and business process improvements to resource requirements as required. In concert with the Civil Works and Military Programs PID and the DRM, the D/SID works this process:

(1) Packages the Program Advisory Working Group (PAWG) validated requirements, formulates initial strawman for HPG review, prioritization and recommended resource allocation.

(2) Packages the HPG prioritized requirements and recommended resource allocation into the Integrated Priority List (IPL) for recommendation to the SPBAC.

e. The Director of Resource Management (DRM), the Commanding General's (CG) principal advisor on management and finances, has broad responsibility to exercise staff supervision over long-range planning; distribution and proper expenditure of funds; and the distribution, management and control of manpower resources. As the overall coordinator, the DRM will:

(1) Facilitate and manage the entire PPBES process for ED&M; establish schedules and milestones and ensure the integrity of the process from beginning to end.

(2) Exercise staff supervision over all USACE resources to ensure a proper resource balance is developed and maintained and resources are appropriately allocated in support of established priorities.

(3) In concert with the D/SID and PIDs, provide direct support to the SRG in development of CG guidance for budget, funding and manpower priorities.

(4) In concert with Civil Works and Military Programs PID, translate SRG guidance into a budget call letter for development of USACE requirements based budgets. The budget call letter initiates the budget build from Corps activities.

(5) Facilitate a coordinated, unified USACE resource position. In concert with the D/SID and PIDs, advise the HPG on distribution of available dollar and manpower resources to USACE programs.

(6) In concert with the D/SID and PIDs, provide direct support to the HPG in the prioritization of Command-wide requirements to develop the integrated priority list (IPL) for submission to the Senior Program Budget Advisory Committee (SPBAC) for vote and the Deputy Commanding General (DCG) for approval.

(7) In concert with the Deputy Chief of Staff (Support) (DCS/Spt) and the Director, HECSA, develop a corporate position for HQ operating and programmatic resourcing (staffing and funding) levels consistent with MACOM resourcing and program priorities.

(8) Conduct analysis of all programs to include execution data, mid-year review, year-end close out, and new starts; perform what-if drills to propose options for SRG review.

(9) Chair the Program Advisory Working Group (PAWG). May conduct one-on-one meetings with each proponent, organization, or program manager to review and validate requirements against corporate policies, priorities, and available resources. In concert with Civil Works and Military Programs PID and D/SID:

(a) Package the PAWG validated requirements, formulate initial strawman for HPG review, prioritization and recommended resource allocation.

(b) Package the HPG prioritized requirements and recommended resource allocation into the IPL for recommendation to the SPBAC. The IPL will be fully coordinated prior to the SPBAC and CG approval.

(10) Serve as command point of contact on resource matters and advise both the CG and the DCG of changes in resource guidance and reprogrammings.

(11) Plan, program, budget for and defend USACE manpower resources based on resource availability (funds and manpower), mission/workload changes, and higher headquarters objectives, priorities and decisions.   Officially release and manage execution of all USACE funding and manpower authorizations and allocations.

(12) Conduct independent horizontal and vertical analysis of program execution and accomplishment.

f. The Program Directors will:

(1) Develop requirements and objectives, define programs, establish priorities, validate program manpower and propose alternatives for resource allocation within the scope of their functional responsibility IAW SRG or HPG direction and the budget call.

(2) Exercise general staff supervision over program execution for the approved plan within his/her functional responsibility.

(3) Develop recommendations for formulating and adjusting USACE programs to improve the utilization of resources and support new or modified programs.

(4) Assist the DRM in maintaining the proper balance in operating programs in accordance with the priorities approved by the Commanding General.

(5) Develop and maintain his/her functional input to USACE long-range plans.

g. The Director of Humphreys Engineer Center Support Activity (HECSA) will:

(1) Provide direct support to the DRM and the DCS (Spt) in the development of the HQUSACE Operating Budget, the HQ support costs included in the HECSA Operating Budget, and the execution of the PBAC process described herein applicable to HQUSACE and HECSA operations.

(2) Maintain the complete and official manpower, budgetary and accounting records of all funds and all associated obligations and expenditures regarding both the formulation and execution of the HQUSACE Operating Budget and the HECSA paid HQUSACE operating costs. See the discussion of the 3-year profiles in Chapter 3 paragraph 3-3.

h. The Director of Corporate Information will:

(1) Provide the HPG a prioritized list of information technology (IT) investments as output from the IT Capital Planning and Investment Control Process (CPIC) and as input to the integrated priority list (IPL).

(2) Serve as the Commanding General's principal agent to facilitate the CPIC business process as described in Appendix D.

i. The Deputy Chief of Staff for Support (DCS/Spt), representing the Office of the CoS, will:

(1) Provide oversight of HECSA-RM in managing the day-to-day Headquarters Internal Operating Budget and use the HQ Operating Budget JPBAC process to reprogram resources internally to satisfy requirements to the extent possible.

(2) Provide a summary of internal reprogramming decisions in periodic execution reviews to the DRM (quarterly PAWG/SPBAC execution reviews).

(3) Raise new operating or programmatic requirements that cannot be accommodated within current or proposed resourcing through the CoS to the DRM for submission to the PAWG for review and validation and consideration by HPG for recommendation to the SPBAC for funding.

(4) Coordinate internal HQ and HECSA HQUSACE related mid-year and year-end execution reviews consistent with timing of corporate mid-year and year-end decision points.

(5) Chair the Headquarters Operating Prioritization (HOP) Group. The HOP Group is comprised of representatives from DRM, DCW, DMP, DCI, DSID and HECSA RM (non-voting). This panel will conduct one-on-one meetings with each proponent, organization, or program manager to review requirements against corporate policies, priorities, and resources available and develop an IPL as guidance for the HQ Operating Budget JPBAC.

(6) Serve as Co-Chair with the Deputy Director, Resource Management for the HQ Operating Budget JPBAC. Facilitate PBAC prioritization meetings to establish and/or approve the IPL consistent with corporate policies and priorities.

(7) Provide direct support to the HPG in the prioritization process of Command-wide requirements.

j. Headquarters Regional Integration Teams (RIT) will:

(1) Provide direct support to HPG on Corporate issues.

(2) Provide direct support to MACOM PAWG on MSC issues.

(3) Provide direct support to MSC as requested.

k. The MP and CW PID, SID and DRM will advise, in a non-voting capacity, throughout the operating budget development:

(1) In the translation of the SRG guidance into the budget call letter and resource guidance to USACE Field Commanders and Directors.

(2) In packaging the PAWG validated requirements, formulate initial strawman for HPG review, prioritize and recommend resource allocation.

(3) In packaging the HPG prioritized requirements and recommended resource allocation into the IPL for recommendation to the SPBAC.

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CHAPTER 2

PLANNING, PROGRAMMING, BUDGETING
AND EXECUTING OPERATIONS

2-1. **General.** The basic resource management responsibility of HQUSACE is the acquisition, allocation and control of resources, whether these are to be used by the headquarters itself or by subordinate USACE commands and activities. To accomplish this effectively, there must be a sound HQUSACE corporate process for planning, programming, budgeting, and executing these resources so that the Commanding General's (CG) current and future intents are satisfied and that current operations reflect command priorities. The Command's prioritizers are the DCW and the DMP, in partnership with the DRM, D/SID and the CoS for advice and assistance. The PAWG validates budget requests and advises prioritizers and the SPBAC on affordability, legality and future impacts.

a. Within that context a number of key officials and several organizations and committees must discharge selected responsibilities. These are delineated in this regulation.

b. This regulation only specifically addresses the composition and conduct of the SRG, HPG, PAWG and the SPBAC. Other boards and committees that may be formed will have a role in supporting the operations and the deliberations of both the PAWG and the SPBAC. Most notably they could include: the Cross Functional Assessment Team (CFAT) and Executive Functional Assessment Team (EFAT) to oversee USACE IT corporate requirements and priorities via the IT Capital Planning and Investment Control process; the Human Resource Development Steering Committee with focus on resources applied to Corps wide training and executive development; a Plant Investment Board (PIB) with a focus on uses and allocation of PRIP authority; and a Manpower Project Delivery Team (PDT) whose purpose is to balance USACE manpower resources against requirements and to manage uniformed military.

2-2. **Definitions.** For the purposes of this regulation, the following terms will apply:

a. Program Budgets: the total funding and manpower authority received or estimated to be available by USACE for USACE's execution in the current or future fiscal years. This authority includes both the allocations directly allotted to USACE as well as reimbursable orders from USACE customers. Routine suballocations of these budgets will be issued or otherwise assigned to commanders Corps-wide, as well as to HQUSACE. In this sense, HQUSACE and HECSA are treated just like any other USACE command.

b. HQUSACE Operating Budget: that portion of the Program Budget allocated or assigned by the SPBAC to HQUSACE, including those items pertaining to HQUSACE operations that are assigned to HECSA and funded as part of the HECSA operating budget.   Although the preponderance of these funds will be 96X3124 (GE) and 21*2020 (OMA), this budget will in

fact include many diverse authorities, both civil and military, both direct and reimbursable. The comprehensive HQUSACE Budget also includes any amounts residing in the HQUSACE CEFMS database for activities centrally managed at HQ on behalf of all USACE commanders. The HQUSACE will employ the CEFMS Operating Budget Module in its formulation and execution of this budget.

c. The annotation "CY" means "Current Year," defined as the present fiscal year in which USACE is executing its programs and budgets. "BY" means "Budget Year," defined as the fiscal year beginning on 1 October immediately following the Current Year which ends on 30 September. "BY+1" means "Budget Year Plus 1 Year," defined as the fiscal year beginning on 1 October immediately following the Budget Year. Hence, if today were 15 August 2004 the CY would be FY2004, the Budget Year would be FY2005, and the BY+1 would be FY2006.

2-3. **Senior Program and Budget Advisory Committee (SPBAC).** This committee (chaired by the CG) makes final decisions on planning, programming, budgeting and manpower resource matters to ensure balance between command missions and the distribution of resources. See Appendix C for key decision points and dates. The composition of the SPBAC is listed at Appendix E. It is established to ensure consistency in command planning, objectives, capabilities and requirements. The SPBAC reviews, addresses, and approves:

a. The planning, programming and resource concepts, strategy, objectives, policies and priorities.

b. The major changes in resourcing of USACE missions and associated impacts.

c. Assumptions in methodology used for distribution of resources for non-IT and prioritized IT resources and AIS budgets.

d. Other MACOM or HQ resource-related matters as directed by the Commanding General or as requested by field commanders or directors/chiefs of HQUSACE elements.

2-4. **MACOM Program Advisory Working Group (PAWG).** This committee is responsible for the validation of requirements submitted by USACE activities prior to the HPG prioritization. The PAWG assists the HPG by performing and providing a detailed assessment of requirements, available resources and Command impacts.   When called upon by HPG and/or SPBAC, PAWG will meet to provide Corp's activities an opportunity to reclama, review, validate, prepare papers, studies and/or make recommendations for consideration by the HPG in the final corporate IPL for submission to the SPBAC for approval. Composition of the PAWG to include the MSCs is listed at Appendix E (to avoid losing funding, subject matter experts should be available to explain their requirements). In addition, the PAWG will:

a. Discharge the functions set forth in Appendix C.

b. Review formally and make recommendations on any matter that must be presented to the Headquarters Prioritization Group and SPBAC.

2-5. **HQ Operating Budget JPBAC.**

a. This committee reviews the recommendations of the HOP Group and their IPL, provides an opportunity for reclama and makes final decisions on resource issues of the internal HQ Operating Budget. The JPBAC assumes corporate oversight for the HQUSACE Operating Budget, including internal reallocations of funding authorities within the overall resource ceilings established for HQUSACE by the SPBAC. (The HQ Operating Budget JPBAC may establish its own procedures for dealing with internal directorate/office reallocations.) This oversight function in effect makes this JPBAC act on behalf of the "command" called "HQUSACE" in the context of USACE-wide programming and budgeting. It will therefore, just as any Corps field command, react and respond to USACE-wide budget calls; and, to the extent that it cannot accommodate HQUSACE funding requirements from within its prescribed resource ceilings, it necessarily must submit "out-of-cycle requests" and "unfunded requirements" through the DCS/Spt to the DRM to be presented to the HPG/SPBAC.

b. Operating Budget issues requiring corporate or executive office intervention or decision will be raised to the HPG and presented to SPBAC as appropriate (e.g., need for hiring freeze, inability to support minimal mission requirements, funding shortfalls, new initiatives requiring executive office approval, outyear budget impacts, etc.). The JPBAC makes final decisions on resource issues within capability (e.g., midyear review, allotment distribution, year-end funding issues) and assists the HPG/SPBAC as needed. MSCs do not participate in internal HQ Operating Budget decisions. (Composition of the HQ Operating Budget JPBAC is in Appendix E.).

c.   In addition, the HQ Operating Budget JPBAC will review formally and make recommendations on any matter that must be presented to the PAWG, HPG and SPBAC.

2-6. Schedule of Events. The planning, programming, budgeting and execution timeline is provided in figure 2-1.

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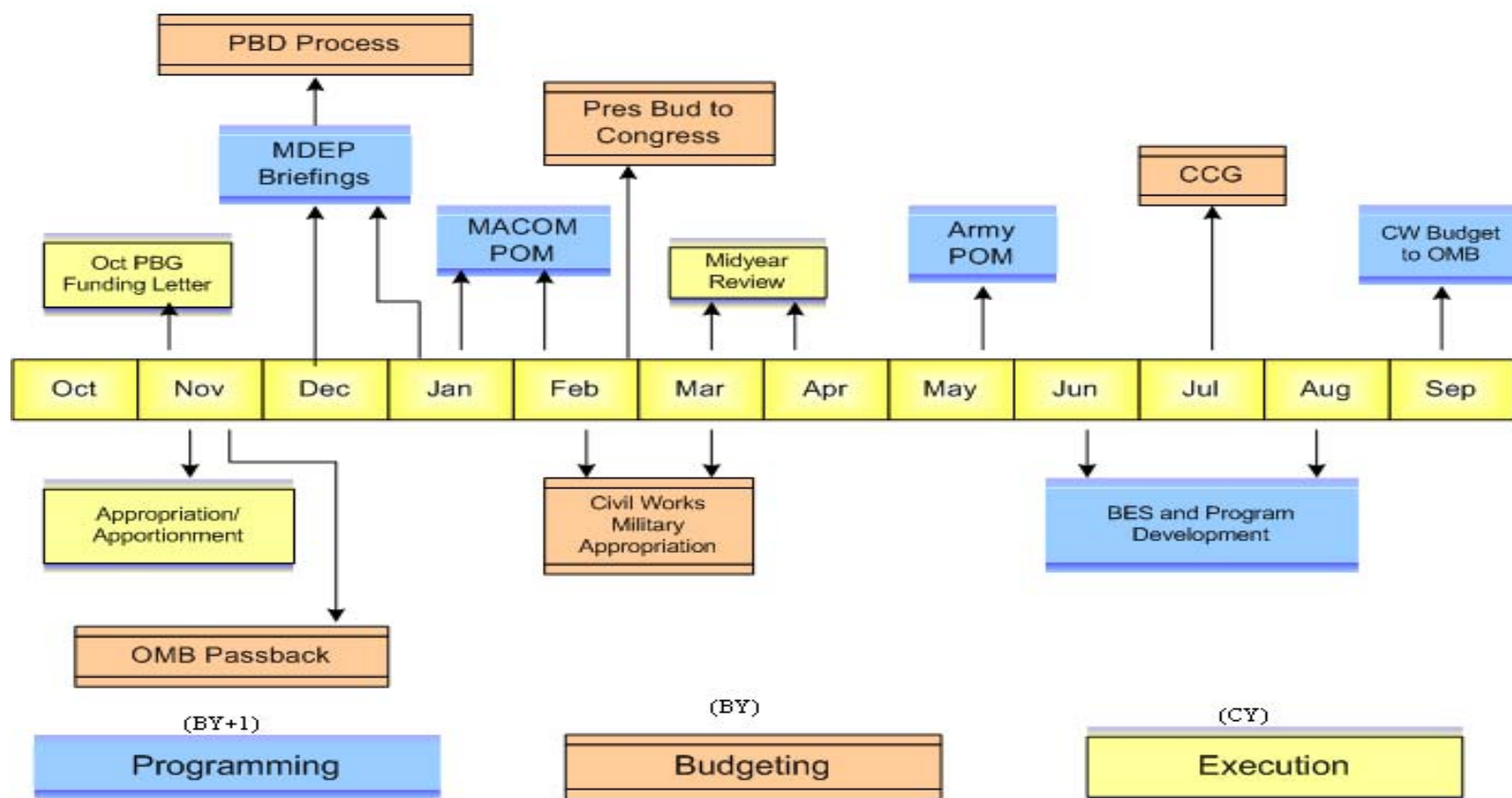
Figure 2-1
Planning, Programming, Budget Execution Timeline

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CHAPTER 3

PLANNING AND PROGRAMMING PHASE

3-1. **Headquarters USACE Planning, Program and Budget Guidance.**

a. The USACE Civil Works mission Program and Budget Guidance (PBG) Engineer Circular is issued annually (March CY) by the DCW.

b. The USACE Military (Army) mission PBG is issued annually (November CY) by HQDA.

c. HQDA publishes Manpower PBGs at the conclusion of each budget cycle (President's Budget, POM and Budget Estimate Submission).

d. OMB publishes the passback annually providing the Civil Works staffing guidelines and limits.

e. Supplemental PBG is issued by the DRM to address ED&M, RDT&E, PRIP and manpower.

3-2. **Three-Year Profiles.** Throughout all deliberations on the balance of USACE resources versus its missions and responsibilities, the CG, the DCG, CS, HQUSACE Staff Principals, various HQUSACE program managers and various supporting boards and committees must have as clear a vision as possible on the current and prospective resources available. To that end:

a. The DRM will maintain a three-year profile of funding (and manpower) authorities, delineated by appropriation and by program, available or estimated to be available for USACE execution. The three years are defined as CY, BY and BY+1. The latest updated profile will be furnished each PAWG and SPBAC member when requested and at least prior to any formal meeting of those committees. Information on prior year (PY) actual execution should also be available, to the extent the committees require.

b. The above profile will serve as the basis for the DRM to construct or update the Three-Year Consolidated Command Guidance (CCG) issued to the HQUSACE and to Field Commanders. As a minimum, changes to the CCG shall be released Corps-wide *three times per year (NLT April, July, and December)*.

c. The Director of HECSA will maintain a three-year profile of funding and manpower authorities, delineated by appropriation, program and object classification and available or estimated to be allocated by the SPBAC to HQUSACE and HECSA for HQUSACE related

costs. The three years are defined as CY, BY and BY+1. Additionally, the Director of HECSA will display for the CY the cumulative amount of obligations, the cumulative amount of expenditures and the manpower consumed by each HQUSACE organization, matched against previously established schedules of execution, to the extent that this information is available in Corps of Engineers Financial Management System (CEFMS) reports or other approved systems that interface with CEFMS. The latest updated profile will be furnished to each member of the HQ Operating Budget JPBAC when requested and at least prior to any formal meeting of that committee.

        d. In addition to the above, the Director of HECSA, in coordination with the DRM, will assure that the HQUSACE operating budget fully complies with the provisions of ER 37-1-24.

3-3. Army Planning and Programming Phases.

        a. The Army Plan (TAP). The foundation of Army planning lies in the TAP, which provides strategic planning, priorities, and programming guidance in three sequentially developed and sequentially integrated sections: The Army Strategic Planning Guidance (ASPG), which forms section I of the TAP, nests Army planning in National, OSD, and joint strategic guidance; The Army Planning Priorities Guidance (APPG), which is section II of the TAP, links requirements to strategy and guides development of resource priorities for operational tasks; The Army Program Guidance Memorandum (APGM), which exists as section III of the TAP, relates operational tasks to resource tasks, thereby helping link operational tasks and their associated resource to Army Title 10 functions. The Office, Chief of Engineers (OCE) is responsible within USACE for coordinating input to the TAP, which is published in Jan-Feb of the CY. Copies of each section of the TAP are located on the LAN shared drive at I:\POM and on the DRM webpage.

        b. The Program Objective Memorandum (POM). The programming phase, contained in the POM, starts in October in the odd years. In developing the USACE military program, programmers translate planning decisions and programming guidance into a comprehensive allocation of forces, manpower and funds. The process includes:

        (1) Initial programmatic review. From October through December, USACE reviews the existing program to determine program deficiencies; sorts the existing USACE Management Decision Packages (MDEP) by Program Evaluation Group (PEG); and responds to changes recorded in Program Decision Memorandums (PDM) and Program Budget Decisions (PBD).

        (2) Preparing the database. From December through March, USACE submits electronic Schedule 1 - new and emerging requirement changes, Schedule 8 - reprogrammings, and other schedules required in the Program and Budget Guidance (PBG).

(3) Presenting the Commander's Narrative Assessment Statement (NAS). In February, USACE makes military mission requirements and priorities known in a memorandum from the Commander to the Army Chief of Staff.

(4) Defending programs before the Program Evaluation Groups (PEGs). From December through March, USACE programmers defend military requirements.

c. A USACE POM Project Delivery Team (PDT) is established for the purpose of reviewing HQDA guidance, developing USACE milestones and tasks, collecting and reviewing USACE POM submission data and briefing material, and coordinating the justification and defense of POM requirements. The POM PDT is co-chaired by the Chief, Military PID and the Deputy RM. The PDT members include HQUSACE MDEP managers and program/project managers. PDT meetings are event driven.

d. DOD Management Initiative Decision (MID) 913, titled "Implementation of a 2-year Planning, Programming, Budgeting and Execution (PPBE) Process" outlined a new biennial process. The Army will now build and submit to OSD a POM every even year (e.g. 2004) and conduct a mini-POM every odd year.

e. The following is a summary of key events for the full POM process conducted every even year:

(1) Nov CY - HQDA publishes Resource Planning Guidance (RPG) with POM milestones and submission requirements.

(2) Nov CY – Submit manpower requirements Schedules 8 to HQDA. Ensure manpower program is balanced and affordable.

(3) Dec CY - Submit Schedule 1 for MACOM POM emerging dollar requirements.

(4) Dec CY - Present MACOM briefing on POM emerging requirements at the HQDA Program Analysis and Evaluation (PA&E) POM Planning Conference.

(5) Jan-Mar CY - Present and/or participate in USACE MDEP briefings. USACE has the lead to brief three Management Decision Packages (MDEPs) (E3RE, DFFE and EMAP) and participates in over 15 other MDEPs.

(6) Feb CY - Submit the MACOM POM Commander's Narrative Assessment Statement, a memo from the CG to the Army, Chief of Staff, describing critical USACE unfunded requirements. Submit Schedule 8 manpower authorization/dollar reprogramming to HQDA, to translate approved manpower/force structure decisions into the appropriate resource level of detail for the HQDA Structure and Manpower Allocations System (SAMAS).

(7) Feb-Mar CY - Defend command manpower position to the HQDA staff, to include the Deputy Chief of Staff, Personnel (DCSPER/G1) and Program Evaluation Groups (PEGs).

(8) Mar CY - Present MACOM briefing on critical USACE unfunded requirements to the HQDA Council of Colonels.

(9) Throughout CY – Develop, coordinate and maintain a detailed audit trail for all changes to uniformed military and civilian manpower authorizations during each Army PPBES cycle.

(10) Throughout CY – Suballocate military and civil funded manpower allocations to USACE subordinate elements during each Army PPBES cycle. Keep USACE Program Managers informed of changes.

f. Total Army Analysis (TAA). Prior to POM development, USACE defends the force structure required for projected Army missions. The approved force structure becomes the start point for developing the manpower portion of the POM and Command Plan submission.

g. The Command Plan.   The command plan is the process used by the Army to adjust the manpower and dollar resourcing of military authorizations, at UIC level of detail, based on the most current guidance, fielding schedules, and resourcing levels. Command plans enable the ARSTAF, MACOMs, proponents, and commodity managers to adjust the current and programmed force based on inputs, compliance with TAA/ARSTRUC directives, guidance, and resourcing changes since the previous command plan. The command plan cycle begins in June and concludes with the production of the MFORCE one year later. The command plan process is based on the assumption that the POM locks in May, the budget estimate submission (BES) locks in September and the President's Budget PBG is released in January. The primary sources of force structure guidance are the command plan message produced by G-3, the MFORCE, and PBGs. During this period, authorization documents (MTOEs and TDAs) are created and updated in response to DoD and Army leadership decisions on organizational structure, requirements, and authorizations for personnel and equipment. Major events occurring during the command plan process are MACOM command plan scrubs and briefing to the Director, Force Management, building of MTOEs and TDAs, the programming of all future force structure decisions, and verification of the programming using the Automatic Update Transaction System (AUTS).

3-4. The Civil Works Planning and Programming Phase.

a. The DCW issues the annual Civil Works (CW) Program Development Guidance in March of the current year (CY) for development of the BY+1, 2, 3, and 4 program. The CW

Program is developed to address the five initiatives of President's Management Agenda (specifically budget and performance integration; improved financial management; strategic management of human capital; competitive sourcing; and expanded e-government) as well as the Army's policy on Performance-based Program Development and Business Line Programming. The CW Program Development process is designed to build the Civil Works program from the bottom up by business program. The building blocks for the program will be work increments for GI studies, CG projects, and O&M work packages. The goal of performance based budget development is to maximize the performance from the funds expended. The performance gained by these business program increments along with the cost of achieving the increment will be the basis for ranking and selecting the business program increments in Army recommendations.

b. The DRM uses the Corps of Engineers Manpower Requirements System (CEMRS) as a tool to develop civil and military funded resource requirements and to determine FTE and work year allocations for USACE commands. The first priority is to develop an accurate five-year statement of work to be performed in each command and the commander's estimate of the manpower required to execute that work on schedule. USACE uses these estimates to present and defend the total Corps requirements to the Office of Management and Budget (OMB) and the Department of the Army (DA). The second priority is to distribute the manpower allocations among all USACE commands.

c. Following is a summary of key events in the CW planning and programming phase:

(1) February CY - President's **BY** Budget is presented to Congress. USACE provides testimony to Congress as requested in defense of the President's Budget.

(2) March CY - CW issues the annual Program Development Guidance for **BY+1.**

(3) August/September - DCW briefs ASA(CW) on **BY+1** budget.

(4) September CY - The President's CW budget for USACE for the (**BY+1**) is presented to OMB. DRM briefs OMB on the future manpower requirements.

(5) November BY - Receive OMB Pass back on **BY+1** budget submitted by Corps in Sep CY. Input budget and manpower PY actual and CY and BY projections into OMB MAX database.

(6) December/January BY – Finalize CW **BY+1** budget for submission to Congress as part of the President's **BY+1** budget.

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CHAPTER 4

BUDGETING PHASE

4-1. **<u>Budget Process and Cycle</u>**.

    a. USACE budgeting proceeds in three stages: formulation, justification and execution. Budget formulation converts into budget estimates. Budget justification presents estimates/requirements to SPBAC, ultimately to Congress and defends them before that body. Budget execution applies approved resources consisting of manpower and funds to carry out approved programs.

    b. Budget Cycle is provided in paragraph 2-7 of this regulation.

    c. Three-Year Operating Budget process is provided in Figure 4-1.

Step 1

Senior Review Group (SRG) DCW, DMP & D/SID

Established Guidance and Priorities for CG Approval (Budget & Funding Priorities)

CG Guidance

Step 2

CERM

Translates CG Guidance into Budget Call Letter for Development of ED&M and Program Accounts Requirements for CG Approval

Budget Call Letter Transmitted to MSC/FOA's & HQ

Step 3

MSC/FOA's & HQ

Develop ED&M & Program Accounts Requirements

Requirements Transmitted to CERM

Step 4

CERM

Consolidates and Evaluates Submitted Requirements to Ensure Compliance with Guidance

Requirements Forwarded to PAWG

**Figure 4-1
Three-Year Operating Budget Process**

SWD PAWG
SPD PAWG
SAD PAWG
POD PAWG
NWD PAWG
NAD PAWG
MVD PAWG
LRD PAWG
ERDC PAWG
HQ PAWG

MACOM PAWG

Validation Non-Voting Board

Step 5

Validates Requirements

Validated Requirements Returned to CERM

Step 6

SID

PID

CERM

Packages Validated Requirements (Strawman) for HPG

Strawman Forwarded to HPG

Step 7

Headquarters Prioritization Group

Establish Priorities and Funding Lines

Forwards Results to CERM

Step 8

SID

PID

CERM

Package and Recommend Resource Allocation

SPBAC Briefing
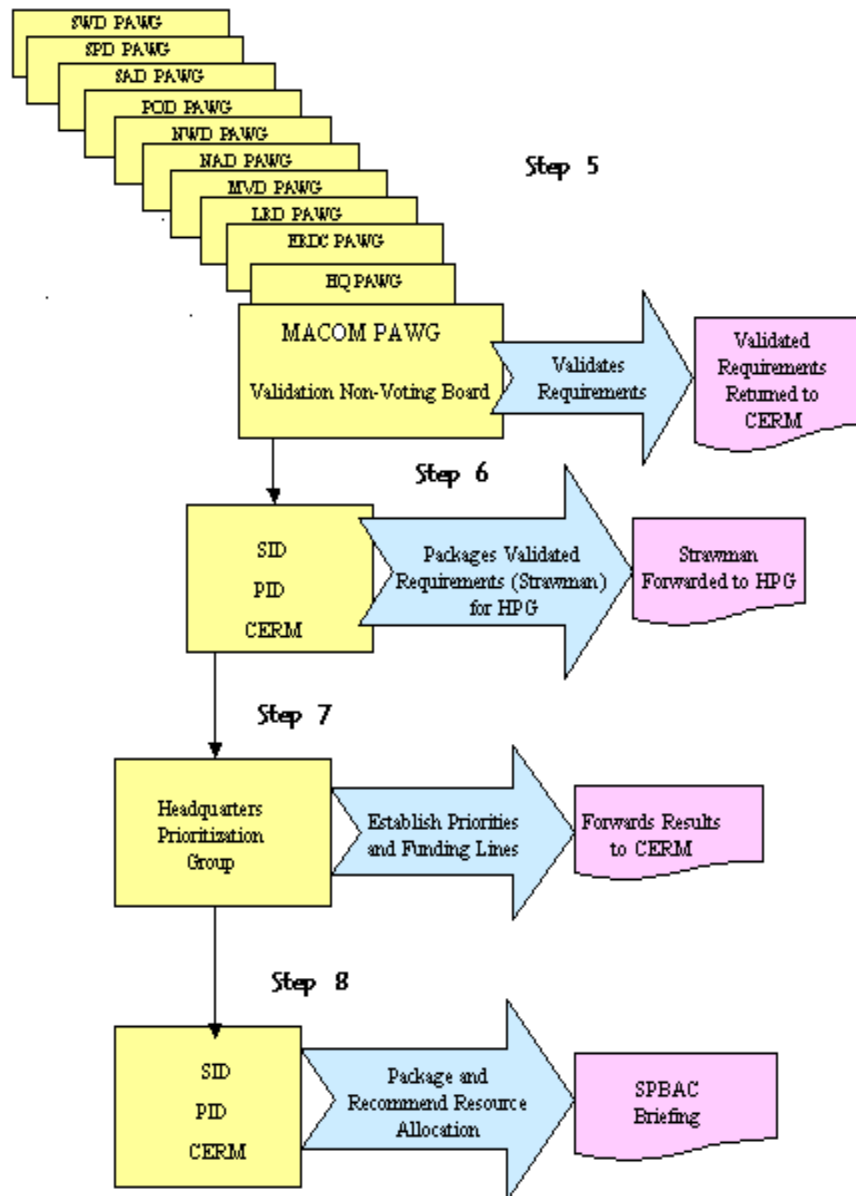
Figure 4-1
Three-Year Operating Budget Process Continued
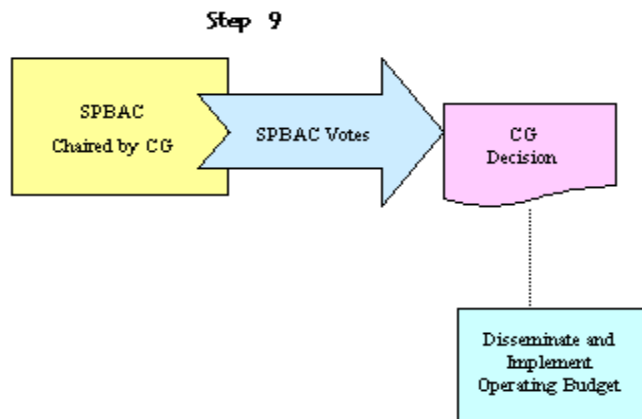
Step 9

Figure 4-1
Three-Year Operating Budget Process Continued

4-2. **Budget Guidance**. The list of sources below aids HQUSACE in the development and submission of budget estimates.

a. Office of Management and Budget (OMB) budget call letter.

b. The President's Budget.

c. Department of Defense (DOD) budget guidance manual.

d. Office of Secretary of Defense (OSD) budget call memorandum and Program Budget Decision (PBD) memorandum.

4-3. **Budget Formulation, Justification and Submission**.

a. Corps activities develop their current budget estimates/submissions based on the latest program and budget guidance, which reflects fiscal levels approved in the CCG and/or POM. For the purposes of this regulation, budget estimates developed herein will only apply to ED&M, RDT&E and PRIP.

b. A major aim during budgeting and execution is to maintain consistency. Program level changes approved in the CCG require determining program tradeoffs to achieve a zero sum change. That is, adjustments made in the approved CCG must remain within the approved level for the Corps of Engineers.

c. The USACE MACOM budget submission is used to support Army budget submission to OSD and the USACE Civil Works budget submission to OMB. Changes in budget estimates in the coming execution year must be met within the limits of the congressional appropriation or manpower authorization by reprogramming within USACE or at DA as appropriate.

4-4. **Review and Approval Process**. The DRM reviews, analyzes and formulates the budget submittal for review and approval. Program sponsors define/justify requirements before the PAWG for HPG prioritization and recommendation to SPBAC for approval. The HPG insures the Commanders' intent is adhered to during the review, prioritization and approval process. Approved budgets and manpower allocations are distributed via the CCG.

4-5. **Budget Elements**.

a. Executive Direction and Management (ED&M), General Expense (GE) and Operation Maintenance, Army (OMA) are the technical, administrative and staff supervision functions assigned to an organization whose missions are to establish policy, develop guidelines, review

performance and otherwise manage the direction of work accomplished by other organizations in the Corps of Engineers. ED&M takes place in HQUSACE, MSC's and Separate FOA's.

   b. ED&M has two budgetary elements:

   (1) Operating Account Cost. Defined as basic day-to-day operating cost associated with supporting USACE Headquarter, MSC and specified FOA employees and the facilities housing them. Operating cost bugetary elements include as a minimum:

   (a) Labor

   (b) Travel/Transportation of Persons and or things

   (c) Rent/Communication/Utilities and Miscellaneous Charges

   (d) Contractual Services

   (e) Printing and Reproduction

   (f) Supplies and Materials

   (g) Equipment

   (h) Training

   (i) PRIP Repayment Charges

   (2) Program Account Cost. Defined as those costs in support of Programs and Activities that have *Corps-wide implications or benefits to the field*. The Program accounts consist primarily of those activities, which are **not** related to the day-to-day operations in support of the headquarters and division staff or execution of headquarters missions, but rather those items that have application and provide support to the field in the execution of their mission. An example of a program account cost is the Automated Information System (AIS) and Information Technology (IT) which falls under the purview of the Director of Corporate Information. Additionally, all program accounts must meet the criteria specified by Congress; if not, they divert to an operating cost item.

   b. Plant Replacement and Improvement Program (PRIP) capital investment budget elements are defined as either minor items costing less than $700,000 or major items costing $700,000 or more. PRIP investment threshold criteria, planning, program, budget process and submission guidance is in ER-37-1-29.

    c. Other Procurement, Army (OPA). OPA capital investment threshold, planning, program, budget and submission guidance for Base Commercial Equipment is in ER 37-1-29, ER 700-1-1 DFAS-IN 37-100-XX and AR 71-32.

    d. Research Development, Test, and Evaluation (RDT&E), Army. (Reserved)

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CHAPTER 5

EXECUTION PHASE

5-1. **Execution**. During execution, USACE:

a. Manages and accounts for funds and manpower to carry out approved programs.

b. Monitors how well Corps activities use allocated resources to carry out approved programs.

c. Adjusts resource requirements based on execution feedback

5-2. **Financial Management**. Budget execution applies appropriated funds to carry out approved programs. This entails:

a. Apportioning, allocating and allotting funds; obligating and disbursing them; and associated reporting and review.

b. Financing unbudgeted requirements caused by changed conditions unforeseen when submitting the budget and having higher priority than the requirements from which funds have been diverted.

5-3. **Apportionment, Allocation and Allotment**.

a. An apportionment distributes funds by making specific amounts available for obligation.

(1) Request for OMB apportionment of Civil Works appropriation is accomplished by submitting justification at time of budget review. OMB approves the request, returning apportionment to the COE. COE subsequently apportions, allocates and allots funds to Corps activities to carry out approved programs.

(2) OMB Request for apportionment of Army appropriation is handled by Army Budget through OSD by submitting justification at time of budget review. OMB approves the request, returning apportionment allocation through OSD. DA issues an allotment to the Corps of Engineers, Operation Agency 08. COE subsequently suballocates funds to Corps activities to carry out approved programs.

b. An allotment authorizes the placement of orders and awarding of contracts for product and services to carry out approved programs.

5-4. **Funds Control**. The Antideficiency Act, 31 U.S.C. Statue 1514, requires a system of *administrative control of funds, called the funds control system.* A funds control system restricts both obligations and expenditures to the amount available for obligation and/or expenditure in the appropriation or fund account from OMB apportionment or reapportionment, allotments or suballotments, reimbursable orders, etc….issued to the Corps. The funds control system used by the Corps is the Corps of Engineers Financial Management System (CEFMS). CEFMS along with management and internal controls reasonably ensure that:

    a. Programs achieve their intended results.

    b. Resources used are consistent with agency mission.

    c. Programs and resources are protected from waste, fraud and mismanagement.

    d. Laws and regulations are followed.

    e. Reliable and timely information is obtained, maintained, reported and used for decision making.

5-5. **Obligation Plans**. Obligation plans are monthly forecasts of the planned program execution of funds issued to an activity for an approved program during a fiscal year. The plans are used at Headquarters to monitor program performance.

5.6. **Manpower Utilization Plans.** The Civilian Execution and the Civil Works Utilization Plans are submitted annually in Nov CY. Updates to the plans are submitted in Apr CY to reflect fact of life changes.

5-7. **Financing Unfunded/Unbudgeted Requirements**. The Command recognizes the need for flexibility during budget execution to meet unforeseen requirements or changes in operating conditions. Rigid adherence to program purposes and amounts originally budgeted and approved may in some instances jeopardize businesslike performance. Thus, within stated restriction and specified dollar thresholds, agencies are allowed to reprogram existing funds to unbudgeted requirements.

5-8. **Program Performance and Review.** The Command conducts quarterly reviews. The review compares actual program performance with objectives.

5-9. **Manpower Reporting Requirements.** Civilian Manpower Obligation Data reports are submitted to HQDA monthly. The Manpower Division prepares and submits the Office of Personnel Management SF 113-G, Monthly Report of Full-Time Equivalent/Workyear Civilian Employment.

APPENDIX A

SENIOR REVIEW GROUP

A-1. This appendix identifies members of the SRG.

Table A-1 Senior Review Group SRG Members		
HPG Member	Responsibilities Can Be Delegated To	Vote
1. Director of Civil Works (DCW)	Civil Works PID Representative who is the General Officer or member of the Senior Executive Service	Yes
2. Director of Military Programs (DMP)	Military Programs PID Representative who is the General Officer or member of the Senior Executive Service	Yes
3. Director of Strategy and Integration Directorate (D/SID)	Deputy Director of Strategy and Integration Directorate	No

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APPENDIX B

HEADQUARTERS PRIORITIZATION GROUP

B-1. This appendix identifies members of the HPG who are voting or non-voting members or support staff. Non-voting members and support staff provide advice and assistance to HPG on affordability, legality, future impacts and strategic plans.

Table B-1 Headquarters Prioritization Group			
HPG Members			
HPG Member	Voting Member	No. Of Votes	Responsibilities Can Be Delegated To
1. Director of Civil Works (DCW)	Yes	1	Civil Works PID Representative who is the General Officer or member of the Senior Executive Service
2. Director of Military Programs (DMP)	Yes	1	Military Programs PID Representative who is the General Officer or member of the Senior Executive Service
3. Director of Resource Management (DRM)	No	N/A	Deputy Director of Resource Management and/or appropriate Subject Matter Expert
4. Chief of Staff	No	N/A	Deputy Chief of Staff, Support
5. Director of Strategy and Integration Directorate (D/SID)	No	N/A	Deputy Director of Strategy and Integration Directorate
HPG Support Staff			
9 HQUSACE Regional Integration Teams (RITs)			

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APPENDIX C

PROGRAM AND BUDGET COMMITTEE
PROGRAMMING SCHEDULE

C-1. This appendix sets forth the schedule by which the program and budget committees will meet during the current fiscal year. The schedule is to be viewed as a guide. Meeting timeframes are subject to change.

Table C-1 Program and Budget Committee Programming Schedule		
First Quarter Review		
Committee	Date	Meeting Purpose
1. HQ Operating Budget JPBAC	2nd week in Jan	HQ Operating Budget and HECSA paid HQ Cost
2. MACOM PAWG	3rd week in Jan	Assess Impacts of OMA Funding Letter Review Commander Current Year Issues Review 1st Quarter Program Execution
3. SPBAC	4th week in Jan	Review Prior Year Execution Address Impacts of OMA Funding Letter and Final Appropriations and Approved Changes Review and Approve Obligation and Expenditure Schedules for all Budgets
Second Quarter Review		
Committee	Date	Meeting Purpose
1. HQ Operating Budget JPBAC	2nd week in Apr	HQ Operating Budget and HECSA paid HQ Cost
2. MACOM PAWG	3rd week in Apr	Presents ITIPS Changes and BY and BY+1 New Starts Mid-Year Review

Table C-1 Program and Budget Committee Programming Schedule Continued		
Second Quarter Review Continued		
3. SPBAC	4th week of Apr	Mid-Year Review/UFRs Approve Commander's POM Narratives Review ITIPS New Starts and Changes for CY, BY and BY+1 Review Status of CY PRIP and UFRs Review Status of CY AIS and UFRs
Third Quarter Review		
Committee	Date	Meeting Purpose
1. HQ Operating Budget JPBAC	1st week in Jun	HQ Operating Budget and HECSA paid HQ Cost
2. MACOM PAWG	2nd week in Jun	Review BY CCG Review Commander's Statement and COB/RMU Schedules Review/validate BY and BY+1 ED&M Budget for proposed recommended GE Budget which includes IT EFAT recommendations
3. SPBAC	3rd week in Jun	Approve BY CCG Review and Guide Submittal of BY+1 Civil Works Budget Approve BY/BY+1 ED&M Budget and BY+1 GE President's Budget Approve initial BY manpower allocation
Fourth Quarter Review		
Committee	Date	Meeting Purpose
1. HQ Operating Budget JPBAC	1st week in Aug	HQ Operating Budget and HECSA paid HQ Cost
2. MACOM PAWG	2nd week in Aug	Review IT EFAT recommendations and BY IT Budget Review USACE Year-End Execution/UFRs

Table C-1 Program and Budget Committee Programming Schedule Continued		
Fourth Quarter Review Continued		
3. SPBAC	3rd week of Aug	Review/Approve PRIP BY/BY+1 Budget Review/Approve IT BY/BY+1 Budget (funding levels) Approve USACE Year-End Spending Plan and CRA Planning Approve BY/CY CRA Guidance Approve BY+1 Civil Works Program Memorandum Approve final BY manpower allocation
Note: The HPG provides corporate direction in the prioritization of requirements and allocation of resources to meet the direction provided by the Chief of Engineers (Commanding General's Intent).		

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APPENDIX D

IT CAPITAL PLANNING ANDINVESTMENT CONTROL PROCESS (CPIC)

Select

Selects investments based
on business value and risk

Manage

Oversight of investment's
cost, schedule,
and performance

Evaluate

Compares business performance
to business goals.
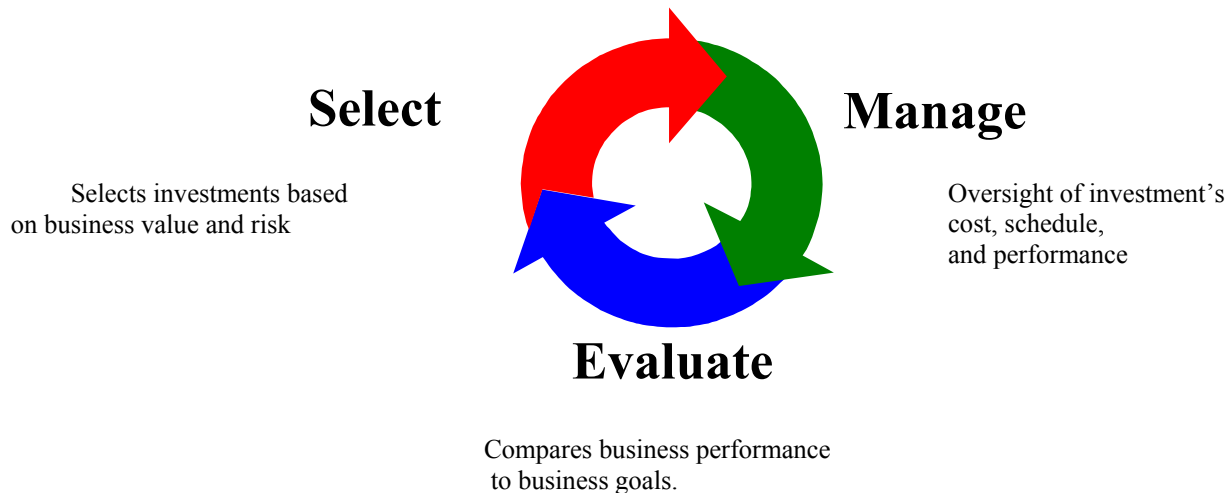
D-1. This appendix describes the IT CPIC process and the committees that execute the process.

D-2 IT CPIC Process. The Clinger Cohen Act (CCA), 1996, requires federal agencies to implement a process that provides for: the selection of information technology investments; the management of the investments; and the evaluation of the results of the investments. The CCA also requires that the process be integrated with the processes for making budget, financial, and program management decisions within the agency. The USACE CPIC process links the USACE mission needs, information, and information technology in an effective and efficient manner. The CPIC process includes all stages of capital programming, including planning, budgeting, procurement, management, and assessment. The process is iterative, and the process's components are interrelated with inputs coming from USACE plans and the outputs feeding into the budget processes. The goal is to link resources to results. The CPIC process builds from the Corps Enterprise Architecture and its transition from current architecture to target architecture. The CPIC process provides its output to the Headquarters Prioritization Group. The CPIC process has three components:

D-2.1. Select Component – Creates a portfolio of IT investments that maximizes the business value, and assesses and manages the risks of the investments by prioritizing and selecting investments using quantitative and qualitative criteria including a quantitatively expressed projected net, risk-adjusted return on investment.

D-2.2. Manage Component – Continuously measures ongoing investments against their projected cost, schedule, and performance goals, and takes action to continue, modify, or cancel the investments.

D-2.3. Evaluate Component – Measures actual business performance against goals to be achieved from the IT investments.

D-3. CPIC Committees. The Director, Corporate Information (D/CI) serves as the Commanding General's principal agent to facilitate the CPIC process. The CPIC process is executed by the Cross Functional Assessment Team (CFAT) and the Executive Functional Assessment Team (EFAT).

D-3.1. CFAT – This is the working level committee that conducts detailed evaluations of IT investments and provides recommendations including authority levels to the EFAT. The D/CI and the Chief of Staff co-chair the CFAT. CFAT voting members include: The two co-chairs; senior representatives from the Directorates of Civil Works, Military Programs, Resource Management, Strategy and Integration, Principal Assistant Responsible for Contracting; senior representatives from each of the Regional Business Centers; representatives from each Field Operating Activity; the Engineer Research and Development Center.

D-3.2. EFAT - This is the senior level committee that reviews and validates the CFAT's recommendations and forwards the recommendations to the Headquarters Prioritization Group for integration with non-IT investments for SPBAC and DCG approval. The Deputy Commanding General is the EFAT Chairman. EFAT voting members include: The Directors of Civil Works, Military Programs, Resource Management, Corporate Information, Strategy and Integration, and the Principal Assistant Responsible for Contracting; Regional Business Center Commanders; and the Director of the Engineer Research and Development Center.

APPENDIX E

PROGRAM AND BUDGET ADVISORY COMMITTEE
COMMITTEE COMPOSITION

E-1. This appendix identifies members of the various program and budget advisory committees who are voting or non-voting members and support staff. Non-voting members and support staff provide advice and assistance for reclama, review, validation, preparation of papers, studies and/or make recommendations to the HPG for consideration in the final corporate IPL.

Table E-1 Senior Program and Budget Advisory Committee			
Chairman: Commanding General or Delegated to Deputy Commanding General Executive Secretary: Director of Resource Management			
SPBAC Members			
SPBAC Member	Voting Member	No. Of Votes	Responsibilities Can Be Delegated To
1. Commanding General (Approving Authority)	████████		Deputy Commanding General
2. All Chiefs of HQUSACE Offices who are General Officers or members of Senior Executive Service (See footnote 1)	Yes	1 vote per Office	Can be delegated to 06/15 Level
3. All MSC Commanders	Yes	1 vote per Command	Deputy Commander or SES in chain of Command
4. Chief of Staff (See footnote 2)	Yes	1	Can be delegated to DCS(S)
5. Deputy Chief of Staff, Support	No	N/A	
Footnote 1			
Lists of HQUSACE Offices	1. Director of Civil Works 2. Director of Military Programs (Represents Prime Power Battalion, Huntsville Engineer and Support Center, Gulf Region Division and Transatlantic Program Center) 3. Director of Strategy and Integration (SID) 4. Director of Corporate Information 5. Director of Human Resources 6. Director of Resource Management (Represents USACE Finance Center) 7. Director of Research and Development 8. Office of the Principal Assistant Responsible for Contracting 9. Office of the Chief Counsel		
Footnote 2			
List of Offices the Chief of Staff Represents	1. HQ Washington/Regional Executive Offices 2. Office of Equal Employment Opportunity 3. Humphreys Engineer Center Support Activity 4. Office of Safety and Occupational Health 5. Internal Review Office 6. Office of History 7. Public Affairs Office 8. Small Business Office 9. Institute for Water Resources 10. Director of Logistics		

Table E-2 MACOM Program Advisory Working Group (PAWG)			
Chairman 1/: Director of Resource Management Executive Secretary: Chief, Programs and Budget Division (CERM-B)			
MACOM PAWG Members			
PAWG Member			Responsibilities Can Be Delegated To
1. Chief from each HQUSACE Directorate and Separate Offices or delegated representative. (See footnote 1)			Full-Time Deputy or designee.
2. All MSC Commanders and ERDC Director or delegated representative.			Chiefs of BRD and ERDC RM
3. Deputy Director, Humphreys Engineer Center Support Activity			
PAWG Support Staff			
As Required, Representative from Headquarters RIT	1. LRD RIT 2. MVD RIT 3. NAD RIT 4. NWD RIT 5. POD RIT 6. SAD RIT 7. SPD RIT 8. SWD RIT 9. GRD RIT		
Footnote 1			
List of HQUSACE Directorates and Separate Offices	1. Director of Civil Works 2. Director of Military Programs 3. Director of Strategy and Integration (SID) 4. Director of Corporate Information 5. Director of Resource Management 6. Director of Research and Development 7. Deputy, Chief of Staff Support 8. Office of the Principal Assistant Responsible for Contracting 9. Office of the Chief Counsel 10. Humphreys Engineer Center Support Activity 11. Institute for Water Resources		

Table E-3 Headquarters Operating Budget Junior Program and Budget Advisory Committee				
Co-Chairman 1/: Director of Resource Management Deputy Chief of Staff, Support Executive Secretary: Chief, Resource Management Office, HECSA				
1/ Co-Chairs may not vote while presiding, but must designate a voting representative.				
HQ Operating Budget JPBAC Members				
JPBAC Member	Voting Member	No. Of Votes	Responsibilities Can Be Delegated To	
1. Chief from each HQUSACE Directorate and Separate Offices or delegated representative. (See footnote 1)	Yes	1 vote each	Full-Time Deputy or designee	
2. Deputy Director, Humphreys Center Support Activity	No	N/A		
Footnote 1				
List of HQUSACE Directorates and Separate Offices	1. Director of Civil Works 2. Director of Military Programs 3. Director of Strategy and Integration Directorate (SID) 4. Director of Corporate Information 5. Director of Resource Management 6. Director of Research and Development 7. Deputy Chief of Staff, Support 8. Office of the Principal Assistant Responsible for Contracting 9. Office of the Chief Counsel 10. Humphreys Engineer Center Support Activity			

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